

U. S. Credits to Save Europe, Says Vanderlip

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should make an international loan to those countries—not of money; I would not put any money into those treasuries at the present time, but a loan of the credits that pay for the things that must be paid to start the wheels of industry.

"If I were to try to put into words what sum up as the most essential thing to grasp about the situation in Europe, the two words will be 'paralyzed industry.'"

"After seeing England and all of Europe west of Germany, I know the views I held regarding the effect of the war were absurdly inadequate. We have not begun to understand the full import of what has happened to Europe. There are forces of destruction which might be let loose as a result of after-war conditions that would be more fearful than the great war itself. There are starvation, idle industry, crippled transportation, par-

alyzed markets, injured morale, shattered government credits. We cannot gauge present chances of recovery by any experience with former post-war conditions.

Society Has Become Complex

"The difficulties are entirely different from those existing after the Napoleonic war. The whole industrial age has developed since then. The mechanism of society is infinitely more complex. The population of Europe at the close of the Napoleonic war was 175,000,000. Now it is 440,000,000.

"Europe was able to feed the increase only because she could manufacture and exchange the products of her factories for food. A state of society so built up makes the continuance of industry on a pre-war scale essential to supporting the life of the people. Europe is but a great factory community, dependent in the main upon world trade for much of its food and raw materials.

England's Industrial Problem

"Take the situation of England. There is the most thickly populated country in the world, with seven hundred people to the square mile. Its agriculture little more than compares with the kitchen gardens about a mill town. Its factories must run if all its people are to live in England. For the last twenty years England has held her predominance in international in-

dustry in no small part because of her comparatively low wage scale. This low wage scale, in connection with rising living cost, has not been adequate to meet normal and proper living requirements. Labor has not earned enough to keep a roof over its head, and one million houses for workmen is made a national demand and will, in part, be a charge on the national purse.

"In the future England must have a resumption of European demand for her goods or she cannot get the outside credits with which to buy food and materials. So her future is absolutely bound up with the Continent's future.

"A responsible minister told me that unless the European demand could be speedily reestablished so that English industry could move forward at its old speed five or six million Englishmen will of necessity have to be got nearer to the source of food supplies.

Idleness Is France's Danger

"France is facing an annual budget of twenty-two billion francs. Far more important than her financial difficulties, however, is her industrial position. A great part of her industries were destroyed, but those which had been untouched were in large measure idle. It is the idleness of industry on the continent, the stoppage of production, and the enormous difficulties in the way of restarting production that is the most serious feature of the after-war situation.

"Unless industry can be started there will be idleness, want and a disturbance of the social order. The advance in the cost of living has exceeded the advance in wages, great as that has been, and workmen have become suspicious of the efficacy of advances in wages. Everywhere there is a serious minority questioning the fundamental principles of property rights and the present social order.

"The difficulty of several of the continental nations in balancing their international trade is insuperable of solution in a moment. There are things from other countries that these nations must have to live. There are only three possible ways in which they can pay for these things. These are by export of goods, by export of gold, or by export of their credit. Italy must have one million tons of coal a month, all her cotton, and most of her minerals. France must have vast amounts of cotton, wool, silk and some food if she is to resume her normal life.

Cannot Start Without Help

"Belgium must have machinery, raw material and food. All must have railroad equipment or their manufactures cannot operate nor their people be fed. None of these nations can export enough goods at present, and they have no more gold to spare. They must have credit. No outside charity can be of any avail. That only postpones and does not postpone long. Europe must get to work if it is to be saved, but it must be helped even to start work."

His Sympathy With Italy

The banker's championship of the cause of Italy won enthusiastic applause.

"I had some preconceptions about

Italy," he said. "They were reinforced by current conversation in England and in France, and they were that Italy came into this war when she got her price; the greatest price that she could have asked was a phenomenal defeat, and that when the war was over she wanted to claim the credit and grab all the swag she could."

"Well, that view is not right. When Italy came into the war she came to the side that at that time certainly did not look as if it had the best chances. She did as brilliant fighting in those hard places as men ever did in the world. By treachery, through surprise, she suffered a horrible defeat. Her heart was torn open, but she kept her courage and put the enemy back. She defended a line as long as the line across France. She lost as many men in proportion to her population as the Germans lost, and she has buried herself under a crushing debt. My sympathy is with Italy."

"It is easy to say that this is too excited a view, that it is seen with too imaginative a brain, that nothing is ever so good or so bad in the end as the indications picture. It can be said that the European population is composed of industrious people, that the land, houses and most of the factories are still there; that there may be suffering and hardships, but to talk about a civilization being destroyed is hysterical and unwarranted; that things will straighten out in the long run."

"I would answer to this contented view that hungry stomachs will not wait for things to straighten out in the long run. In past history there is nothing comparable with the present intricate organization of society. National life is based on international interdependence. Industrial life is highly specialized. There has been a vast growth of population that can only be fed when industry goes on and international trade is continued."

Currency Situation Chaotic

"Former war debts bore hardly a comparable relation to present war debts. There is a chaotic currency situation which would alone be an enormous problem to untangle. There are no sound governments, judged by the old rules of finance, but the industrial paralysis is even of vastly more importance than the financial confusion.

"America must be made to see the facts in their true relations and consequences, for America is almost the sole hope. If America will understand the situation and will do her duty she is amply able to give the necessary help. This aid must be given in a spirited, scientific way. It is useless to give it in grudging measure or piecemeal to a few countries. We must regard the European situation as a unit; we must be awake to the danger of delay.

"Hundreds of thousands of people have died of starvation. These figures are not adjectives. They are statistical facts.

"The highest authority believes that the food situation will be worse in the spring of 1920 than it has been this year. The supply of Russia is cut off. Rumania, which has been a large exporter of grain, has lost her work cattle and, because of shortage of work cattle and of seed, has planted only enough for her own people. Poland has planted only about one-third of her land. In those countries east of Germany transportation is so broken down that there will be starvation, because the food which might be available cannot be moved.

"Hand in hand with America's duty is America's opportunity. Never before in all history has a nation been so fortunate. We are now the world's reservoir of capital. Other nations have been that before, but in addition, we are the reservoir of raw material. The combination of these two advantages makes our position relatively incomparable. There is need for charity in America, but it is not a charity of giving; it is a charity of mind. We should charitably view the condition of these European people, make every allowance for their chaotic state of mind, their depression, their shaken morale.

"We should be charitable toward their mistakes, charitable of their apparent grasping shown at the peace conference, where they seem to have clutched in every direction for something to ease their horrible wounds. We must be charitable toward their prejudices, toward their chauvinism.

"Nor will it do for us to feel that we can stand apart, and, while sympathizing with these suffering countries, ourselves enjoy uninterrupted prosperity. Wherever want and hunger become severe enough there will be blazing revolution. If the blaze should become widespread the Atlantic would not be broad enough to keep us safe from its sparks.

"The great danger is in America not understanding, not comprehending, what is its duty. If it does understand, it is amply able to supply the needed remedy. The remedy is by no means purely financial. What we should supply is not credits to exhausted national treasuries, but the actual things necessary to restart industry. We should supply food, machinery, raw materials and railroad equipment, to be paid for in time and the payment guaranteed by the best security the nations can give.

"It is unsafe to do that for certain countries and leave others unprotected for. There is no safety anywhere in Europe until all Europe has been started back toward a normal life. Wherever there is failure to give that helpful start there will be danger spots that will breed Bolshevik unrest, and this unrest is contagious.

"If Europe is once started back toward her normal life then America's opportunity is beyond all limits. We will be the source of capital for world development. But it is only raw material for much of the world's industry. In giving ourselves and doing our duty, we can win the greatest place that any nation ever held, and perform an incomparable economic and humanitarian service. I know this situation can be worked out if we cooperate quickly and forcefully to do it."

Speaking of the Bolsheviks, Mr. Vanderlip said:

"They have counterfeited the pound, the franc, the mark, the lire, the peseta, to what extent I am not able to say. This has been done—there is no question of that. So there is one of the difficulties of currency."

Million Is Reached In Salvation Army Drive in New York

Campaign Will Continue to Thursday; Rockefeller Family Sends in Checks

New York's total subscriptions to the Salvation Army home service fund reached about \$1,000,000 last evening. The day's contributions included \$25,000 from Mr. and Mrs. William Rockefeller, marking their fifty-fifth wedding anniversary; \$25,000 from John D. Rockefeller and \$10,000 from John D. Rockefeller, Jr.

The drive in New York will continue until Thursday, by which time it is hoped to realize the city's quota of \$1,500,000. It was extended to that day from yesterday, when it was seen the goal could not possibly be achieved on time. The campaign ended yesterday in nearly every other section of the country, so the \$13,000,000 national fund is assured.

Among the large contributions yesterday were: W. H. Moore, \$5,000; E. H. Gary, \$2,500; Barron G. Collier, Gimbel Brothers, Billwiller Brothers, Jeremiah Milbank and the Guaranty Trust Company \$1,000 each; Acker, Merrill & Condit, the J. C. Penny Company, and Samuel A. Lewisohn, each \$500.

Brigadier General Cornelius Vanderbilt, city chairman for the drive, pointed out that it would be necessary to raise \$165,000 a day during the remaining three days in order to raise the allotment, and that only through concerted and determined efforts could greater New York maintain its reputation for liberal giving to worthy causes.

Sunday night's benefit performance at the Hippodrome netted about \$30,000 in admission and contributions. This included L. V. Albee's check for \$5,000. Charles McDonald, president of the National Golf Club, L. I., sent in a

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ties found 47,000,000 crowns in bank notes (nearly \$10,000,000). In the possession of Fenyos, the Hungarian Communist Commissioner for Economic Affairs, when he arrived at Bruck today from Budapest.

The Hungarian's explanation of the use to which the remaining 5,000,000 crowns was to be put failed to satisfy the authorities, and they seized the 5,000,000 crowns (\$1,000,000).

\$1,000,000 Is Seized From "Red" Leader

Nearly \$10,000,000 in Bank Notes Found on Hungarian at Border Town

VIENNA, May 24 (French Wireless Service).—Austrian customs authorities found 47,000,000 crowns in bank notes (nearly \$10,000,000). In the possession of Fenyos, the Hungarian Communist Commissioner for Economic Affairs, when he arrived at Bruck today from Budapest.

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check for \$2,550, proceeds of the recent "bankers golf tournament." More than \$2,000 for the fund was raised by members of the New York Athletic Club at a boxing show. The members of Temple Ten-El contributed \$330.

Brooklyn, with \$200,000 as its share of the greater city's quota, reported yesterday it had raised more than half that sum.

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